

SUMMER HOUSE
HILTON HEAD ISLAND
CONDOMINIUM ASSOCIATION, INC.

BOARD MEETING – AUGUST 22, 2018

Meeting called to order at 4:05 p.m. at The Summer House Clubhouse meeting room.

ATTENDEES: David Benedict, *President*; Jim Kroll, *Vice President*; Cindy Taylor, *Treasurer*; Marsha Garrett, *Property Manager*; Absent Jeff Rockett, *Member at Large*;

HOMEOWNERS ATTENDING:

Cassandra Piovoso Unit A11

OLD BUSINESS:

The minutes of the July meeting were approved.

ACTION ITEM LIST:

Owner Debt Concern: A new court date has not been scheduled in a higher court of this day. Scott will notify the Board.

Action: Scott Wild, Kevin Quat and PM will attend.

Per the Board of Directors these three items have been placed on hold until after the construction is completed.

- 1. Pine Straw/Landscaping:** The pine straw has been installed and the sod will be placed on hold until the after the construction to the area between B & C buildings.

Action: The sod will be installed after the construction is completed.

- 2. Bench between A and B:** The bench has been ordered and should arrive within the next two weeks.

Action: When it arrives, Mark will set it up between A & B buildings.

- 3. Concrete Improvements around the pool area and two gravel walkway replacements:**

Action: Per the Board a hold on the sidewalks and pool areas until after the construction is completed.

Gate to Compactor: Mark is working on designing and pricing out a door and electronic keypad for the door. There are still construction debris from contractors and non-residents that are using the compactor.

Action: Need to have a gate and keypad installed as soon as possible.

Non-operable sprinkler head: Inoperable sprinkler head found in unit due to homeowner neglect.

Action: The sprinkler head has been replaced on 8/22. The amount of the invoice was #362.10.

Damaged Front Gate: PM contacted the homeowner regarding the two invoices in the amount of \$2,175.00 for the repairs. The homeowners are going to take the tenant to court for payment. The

Board agreed to give the homeowners 60-days to receive payment for the repairs to the damaged gate. The date of payment is due on August 20, 2018.

New Cameras: Custom Security will be completed with the upgrade before the end of the month. They are waiting on one which is on backorder. Once they receive the camera, the technicians will be back on property to finish the install.

Action Items Removed as Completed:

- Item #2 – Bike Rack has been relocated
- Item #4 – Sprinkler head replaced in unit
- Item #7 – New pond pump/monthly service agreement
- Item #8 – Updates to Residents with Reminders of the Rules & Regulations

Breakdown of Assets into Three Budgets:

The Board of Directors discussed having three different budgets for the following accounts:

- Operating Budget
- Reserve/Capital Budget
- Lawsuit Budget

This will be discussed with Kevin to implement these three (3) new budgets. It will allow the Board of Directors to see the expenditures for each budget.

FINANCIALS

Operating Account Variances:

- Income year-to-date, has a large positive variance of \$34,830.53. Without the \$10,000 carry-over check for tree trimming from 2017 in account 30070-Misc Income, the operating income positive variance would be \$24,830.
- 40180-Telephone expense line item is over budget by about \$80 each month. The annual budget for this account was set at \$3,000 (\$250 monthly); it consists of telephone for the office (average \$260 monthly) and gate (average \$53 monthly) plus fax line @ \$20 monthly. This totals \$333 monthly/\$3,996 yearly.
- 50040-Controlled Access expense, year-to-date is over-budget by \$3,743. \$2,175 is due to payment for replacement of the controller arm in June. We expect a refund of \$1,750 in July from the company originally hired to replace it.
- 50600-Fitness Center expense, year-to-date is over-budget by \$216.33 due to several repairs.
- 70000-Insurance expense, year-to-date variance is due to paying the entire yearly premium for all but flood insurance in May.
- 80030-Gas, Common Area expense, year-to-date variance is due to multiple deliveries in the month of April and increased grill use.
- 80060-Water/Sewer year-to-date is over-budget by \$1,185 due to pool refill and two spa refills. Excluding those fills the account is under-budgeted by about \$250/month.

Lawsuit Accounts:

- Coastal States CDARS account 8333, balance \$1,310,000 was rolled over in full with a decreased interest rate from 1.48% to 1.30%.
- Interest earned at maturity (\$4,842.55) was transferred to CDARS Sweep 2378 in anticipation of a \$140,000 payment to the architect due in late July.
- A check in the amount of \$140,000 was written to The Sherratt Company for 100% completion of programming/budgeting and 50% completion of plans/ specifications for Phase 1.

Capital Reserve Accounts:

- There are still CY 2018 funds (\$59,918) for the following items from the reserve study: painting of building trim, sealcoat asphalt and paving repair patchwork, clubhouse furniture, fitness room (painting, window treatments, floor) and sidewalk repair. Several items will probably be postponed until the remediation is complete.
- Capital items paid during June 2018 total \$12,980.26 (pool pump \$789.26; fountain \$3,638; 2 fitness bikes \$5,478; pool furniture/lounges \$3,075)

NEW BUSINESS:

Hargray Proposal for Internet/Phones: They sent an agreement for either a three-year or five-year term. The prices are very close to what is being paid now to Spectrum for the same type of services. The Board is not interested in changing the current provider at this time.

Fire Panel for Building "J": The fire panel for building J needed to be replaced. A new communicator was not needed as proposed on the proposal. The Board would like to add the fire panels to be included in the Reserve Study for future replacements as needed. This item will be added to the list when the new Reserve Study is completed. The total cost to replace the fire panel was \$1,184.50.

DISCUSSION:

Drainage: The drainage for building A is almost completed. River rock and pavers are on order to finish up the building. The river rock will be used in the swale areas and around the AC units of the building.

Pool Deck Proposal: A proposal from Robert Cowart Painting company was presented to the Board for discussion. The scope of the work was to power wash the entire pool deck, caulk the large cracks and apply two (2) coats of concrete stain mixed with shark grip to reduce slipperiness. The proposal was in the amount of \$3,250.00. The Board of Directors would like to table this proposal until early Spring of 2019.

Landscaping Replacements: The Board of Directors discussed the replacement of plants and/or trees after the construction is completed on a building. The recommendation is to wait until a few buildings could be completed at one time. There should be a savings instead of replanting at the end of each building. The funds would need to come from either the reserves or the operating account.

Meeting adjourned at 5:32pm.